

**RANCH AT CYPRESS CREEK  
MUNICIPAL UTILITY DISTRICT NO. 1**

**TRAVIS AND WILLIAMSON COUNTIES, TEXAS**

**ANNUAL FINANCIAL REPORT**

**SEPTEMBER 30, 2022**



**RANCH AT CYPRESS CREEK  
MUNICIPAL UTILITY DISTRICT NO. 1**

**TRAVIS AND WILLIAMSON COUNTIES, TEXAS**

**ANNUAL FINANCIAL REPORT**

**SEPTEMBER 30, 2022**



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**McCALL GIBSON SWEDLUND BARFOOT PLLC**  
*Certified Public Accountants*

13100 Wortham Center Drive  
Suite 235  
Houston, Texas 77065-5610  
(713) 462-0341  
Fax (713) 462-2708

PO Box 29584  
Austin, TX 78755-5126  
(512) 610-2209  
[www.mgsbpllc.com](http://www.mgsbpllc.com)  
E-Mail: [mgsb@mgsbpllc.com](mailto:mgsb@mgsbpllc.com)

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Ranch at Cypress Creek Municipal Utility District No. 1  
Travis and Williamson Counties, Texas

**Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Ranch at Cypress Creek Municipal Utility District No. 1 (the "District") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.





### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Board of Directors  
Ranch at Cypress Creek Municipal  
Utility District No. 1

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*McCall Gibson Swedlund Barfoot PLLC*

McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

January 19, 2023



**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Management’s discussion and analysis of Ranch at Cypress Creek Municipal Utility District No. 1’s (the “District”) financial performance provides an overview of the District’s financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the District’s financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. This report also includes required and other supplementary information in addition to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The District’s annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District’s overall status. Financial reporting at this level uses a perspective like that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes all the District’s assets, liabilities and, if applicable, deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District’s net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

**FUND FINANCIAL STATEMENTS**

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has two governmental fund types. The General Fund accounts for resources not required to be accounted for in another fund, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**FUND FINANCIAL STATEMENTS (Continued)**

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

**NOTES TO THE FINANCIAL STATEMENTS**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

**OTHER INFORMATION**

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI"). A budgetary comparison schedule is included as RSI for the General Fund.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$9,597,791 as of September 30, 2022. A portion of the District's net position reflects its net investment in capital assets (land, entryway improvements, and fencing as well as the water and wastewater systems, less any debt used to acquire those assets that is still outstanding). A comparative analysis of government-wide changes in the Statement of Net Position is presented below:

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

	Summary of Changes in the Statement of Net Position		
	2022	2021	Change Positive (Negative)
Current and Other Assets	\$ 3,233,574	\$ 2,386,420	\$ 847,154
Capital Assets (Net of Accumulated Depreciation)	6,395,922	6,634,104	(238,182)
Total Assets	\$ 9,629,496	\$ 9,020,524	\$ 608,972
Bonds Payable	\$	\$ 380,000	\$ 380,000
Other Liabilities	31,705	27,991	(3,714)
Total Liabilities	\$ 31,705	\$ 407,991	\$ 376,286
Net Position:			
Net Investment in Capital Assets	\$ 6,395,922	\$ 6,254,104	\$ 141,818
Restricted	7,830	104,720	(96,890)
Unrestricted	3,194,039	2,253,709	940,330
Total Net Position	\$ 9,597,791	\$ 8,612,533	\$ 985,258

The following table provides a summary of the District's changes in the Statement of Activities for the fiscal years ending September 30, 2022, and September 30, 2021.

	Summary of Changes in the Statement of Activities		
	2022	2021	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 1,546,579	\$ 1,406,459	\$ 140,120
Other Revenues	64,804	3,850	60,954
Total Revenues	\$ 1,611,383	\$ 1,410,309	\$ 201,074
Expenses for Services	626,125	797,747	171,622
Change in Net Position	\$ 985,258	\$ 612,562	\$ 372,696
Net Position, Beginning of Year	8,612,533	7,999,971	612,562
Net Position, End of Year	\$ 9,597,791	\$ 8,612,533	\$ 985,258

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS**

The District's combined fund balances as of September 30, 2022, were \$3,189,295, an increase of \$836,513 from the prior year.

The General Fund fund balance increased by \$936,434, primarily due to service revenues and property tax revenues exceeding operating costs.

The Debt Service Fund fund balance decreased by \$99,921, primarily due to the structure of the District's long-term debt.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors adopted an unappropriated budget for the current fiscal year which was amended to reallocate expenditures. Actual revenues were \$64,779 more than budgeted revenues and actual expenditures were \$441,095 less than budgeted expenditures resulting in a positive variance of \$505,874. See the budget to actual comparison for more information.

**CAPITAL ASSETS**

The District's investment in capital assets as of September 30, 2022, total and \$6,395,922 (net of accumulated depreciation) and include the land, entryway improvements, fencing and water, wastewater and drainage systems.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2022	2021	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 41,493	\$ 41,493	\$
Capital Assets, Net of Accumulated Depreciation:			
Water, Wastewater and Drainage	6,329,761	6,562,108	(232,347)
Entryway Improvements	115	315	(200)
Fence	24,553	30,188	(5,635)
Total Net Capital Assets	\$ 6,395,922	\$ 6,634,104	\$ (238,182)



**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**LONG-TERM DEBT ACTIVITY**

As of September 30, 2022, the District had no bond debt payable as the bonds were repaid during the fiscal year. The changes in the debt position of the District during the fiscal year ended September 30, 2022, are summarized as follows:

Bond Debt Payable, October 1, 2021	\$ 380,000
Less: Bond Principal Paid	<u>380,000</u>
Bond Debt Payable, September 30, 2022	<u>\$ - 0 -</u>

**CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Ranch at Cypress Creek Municipal Utility District No. 1 , c/o McGinnis Lochridge, 1111 West 6<sup>th</sup> Street, Building B, Suite 400, Austin, TX 78703.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**SEPTEMBER 30, 2022**

	General Fund	Debt Service Fund
<b>ASSETS</b>		
Cash	\$ 40,413	\$
Investments	3,172,548	7,739
Receivables:		
Property Taxes	8,850	3,724
Accrued Interest	300	
Due from Other Funds	3,633	
Land		
Capital Assets (Net of Accumulated Depreciation)		
<b>TOTAL ASSETS</b>	<b>\$ 3,225,744</b>	<b>\$ 11,463</b>
 <b>LIABILITIES</b>		
Accounts Payable	\$ 31,705	\$
Due to Other Funds		3,633
<b>TOTAL LIABILITIES</b>	<b>\$ 31,705</b>	<b>\$ 3,633</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	\$ 8,850	\$ 3,724
 <b>FUND BALANCES</b>		
Restricted for Debt Service	\$	\$ 4,106
Unassigned	3,185,189	
<b>TOTAL FUND BALANCES</b>	<b>\$ 3,185,189</b>	<b>\$ 4,106</b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 3,225,744</b>	<b>\$ 11,463</b>
 <b>NET POSITION</b>		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
<b>TOTAL NET POSITION</b>		

The accompanying notes to the financial  
statements are an integral part of this report.

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 40,413	\$	\$ 40,413
3,180,287		3,180,287
12,574		12,574
300		300
3,633	(3,633)	
	41,493	41,493
	<u>6,354,429</u>	<u>6,354,429</u>
<u>\$ 3,237,207</u>	<u>\$ 6,392,289</u>	<u>\$ 9,629,496</u>
\$ 31,705	\$	\$ 31,705
<u>3,633</u>	<u>(3,633)</u>	
<u>\$ 35,338</u>	<u>\$ (3,633)</u>	<u>\$ 31,705</u>
\$ 12,574	\$ (12,574)	\$ - 0 -
\$ 4,106	\$ (4,106)	\$
<u>3,185,189</u>	<u>(3,185,189)</u>	
<u>\$ 3,189,295</u>	<u>\$ (3,189,295)</u>	<u>\$ - 0 -</u>
<u>\$ 3,237,207</u>		
	\$ 6,395,922	\$ 6,395,922
	7,830	7,830
	<u>3,194,039</u>	<u>3,194,039</u>
	<u>\$ 9,597,791</u>	<u>\$ 9,597,791</u>

The accompanying notes to the financial statements are an integral part of this report.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022**

Total Fund Balances - Governmental Funds \$ 3,189,295

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 6,395,922

Deferred inflows of resources related to property tax revenues for the 2021 and prior tax levies became part of recognized revenue in the governmental activities of the District. 12,574

Total Net Position - Governmental Activities \$ 9,597,791

The accompanying notes to the financial statements are an integral part of this report.

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**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	General Fund	Debt Service Fund
<b>REVENUES</b>		
Property Taxes	\$ 1,245,522	\$ 296,268
Investment and Miscellaneous Revenues	62,207	2,597
<b>TOTAL REVENUES</b>	<b>\$ 1,307,729</b>	<b>\$ 298,865</b>
<b>EXPENDITURES/EXPENSES</b>		
Service Operations:		
Professional Fees	\$ 117,552	\$
Contracted Services	72,657	5,961
Utilities	20,518	
Repairs and Maintenance	114,195	
Depreciation		
Other	39,173	
Capital Outlay	7,200	
Loss on Disposal of Assets		
Debt Service:		
Bond Principal		380,000
Bond Interest		12,825
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ 371,295</b>	<b>\$ 398,786</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 936,434</b>	<b>\$ (99,921)</b>
<b>CHANGE IN NET POSITION</b>		
<b>FUND BALANCES/NET POSITION -</b> <b>OCTOBER 1, 2021</b>	<b>2,248,755</b>	<b>104,027</b>
<b>FUND BALANCES/NET POSITION -</b> <b>SEPTEMBER 30, 2022</b>	<b>\$ 3,185,189</b>	<b>\$ 4,106</b>

The accompanying notes to the financial statements are an integral part of this report.

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
\$ 1,541,790	\$ 4,789	\$ 1,546,579
64,804		64,804
\$ 1,606,594	\$ 4,789	\$ 1,611,383
\$ 117,552	\$	\$ 117,552
78,618		78,618
20,518		20,518
114,195		114,195
	245,382	245,382
39,173		39,173
7,200	(7,200)	
380,000	(380,000)	
12,825	(2,138)	10,687
\$ 770,081	\$ (143,956)	\$ 626,125
\$ 836,513	\$ (836,513)	\$
	985,258	985,258
2,352,782	6,259,751	8,612,533
\$ 3,189,295	\$ 6,408,496	\$ 9,597,791

The accompanying notes to the financial statements are an integral part of this report.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Net Change in Fund Balances - Governmental Funds	\$	836,513
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		4,789
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Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(245,382)
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Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		7,200
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Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.		380,000
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Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		2,138
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Change in Net Position - Governmental Activities	\$	<u>985,258</u>
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The accompanying notes to the financial statements are an integral part of this report.



**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 1. CREATION OF DISTRICT**

Ranch at Cypress Creek Municipal Utility District No. 1 (the “District”), located in Travis and Williamson Counties, Texas was originally created, organized, and established as Williamson-Travis Counties Water Control and Improvement District No. 1 a conservation and reclamation district created by the 71<sup>st</sup> legislature of the State of Texas. This district, pursuant to the provision set forth in Sections 51.748-51.753 of the Texas Water Code and a division election held May 7, 1994, was divided resulting in Williamson-Travis Counties Water Control & Improvement District No. 1B. On December 20, 1999, the Texas Commission on Environmental Quality (the “Commission”) approved the conversion of the District to a municipal utility district operating under Chapters 49 and 54 of the Texas Water Code, with the name changed to Ranch at Cypress Creek Municipal Utility District No. 1. The District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, wastewater and storm sewer drainage services, provide parks and recreational facilities, security lighting, solid waste collection and enforce real property restrictions for the residents of the District.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Governmental Funds Balance Sheet and a Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

The District has two governmental funds and considers each to be a major fund.

General Fund - To account for resources not required to be accounted for in another fund, operating costs and general expenditures.

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenues reported in the governmental funds to be available if they are collectable within 60 days after year-end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of September 30, 2022, the Debt Service Fund (Tax Account) owed the General Fund \$3,633 for maintenance tax collections.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Entry Monuments	15
Fencing	15
Water/Wastewater/Drainage System	50

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District’s Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended to reallocate expenditures. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and amended budget amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Commissioners are wages subject to federal income tax withholding for payroll tax purposes only.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurements focus. Accordingly, only current assets and current liabilities are included on the balance sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental funds types increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

*Nonspendable:* amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

*Restricted:* amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

*Committed:* amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. There were no committed fund balances at year end.

*Assigned:* amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

*Unassigned:* all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 3. LONG-TERM DEBT**

The following is a summary of transactions regarding bonds payable for the year ended September 30, 2022:

	October 1, 2021	Additions	Retirements	September 30, 2022
Bonds Payable	\$ 380,000	\$ - 0 -	\$ 380,000	\$ - 0 -

As of September 30, 2022, the District has authorized but unissued tax bonds in the amount of \$5,960,000 for utility facilities and \$1,050,000 for park and/or recreational facilities and authorized but unissued refunding bonds in the amount of \$27,210,000. The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount.

During the year ended September 30, 2022, the District levied an ad valorem debt service tax rate of \$0.0675 per \$100 of assessed valuation, which resulted in a tax levy of \$297,167 on the adjusted taxable valuation of \$440,985,385 for the 2021 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS**

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the Bonds, within the meaning of section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on the five-year anniversary of the issue.

The bond resolution states that the District is required to provide to certain information repositories continuing disclosure of annual financial information and operating data with respect to the District. The information is of the general type included in the annual audit report and must be filed within six months after the end of each fiscal year of the District.

**NOTE 5. DEPOSITS AND INVESTMENTS**

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District's deposits was \$190,413 and the bank balance was \$215,616. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at September 30, 2022, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 40,413	\$ 150,000	\$ 190,413

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District’s investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in TexPool, an external investment pool that is not SEC-registered. The Texas Comptroller of Public Accounts has oversight of the pool. Federated Investors, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

The District records its investments in certificates of deposit at acquisition cost.

As of September 30, 2022, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
TexPool	\$ 3,022,548	\$ 3,022,548
Certificates of Deposit	150,000	150,000
<u>DEBT SERVICE FUND</u>		
TexPool	<u>7,739</u>	<u>7,739</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 3,180,287</u></b>	<b><u>\$ 3,180,287</u></b>



**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2022, the District's investment in TexPool was rated AAAM by Standard and Poor's. The District also manages credit risk by investing in certificates of deposit with balances below FDIC coverage.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexPool to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District. The District also manages interest rate risk by typically investing in certificates of deposit with maturities of less than one year.

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes.

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended September 30, 2022 is as follows:

	October 1, 2021	Increases	Decreases	September 30, 2022
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 41,493	\$ - 0 -	\$ - 0 -	\$ 41,493
<b>Capital Assets Subject to Depreciation</b>				
Water, Wastewater and Drainage	\$ 11,965,203	\$ 7,200	\$	\$ 11,972,403
Entryway Improvements	375,233			375,233
Fence	773,308			773,308
<b>Total Capital Assets Subject to Depreciation</b>	<u>\$ 13,113,744</u>	<u>\$ 7,200</u>	<u>\$ - 0 -</u>	<u>\$ 13,120,944</u>
<b>Less Accumulated Depreciation</b>				
Water, Wastewater and Drainage	\$ 5,403,095	\$ 239,547	\$	\$ 5,642,642
Entryway Improvements	374,918	200		375,118
Fence	743,120	5,635		748,755
<b>Total Accumulated Depreciation</b>	<u>\$ 6,521,133</u>	<u>\$ 245,382</u>	<u>\$ - 0 -</u>	<u>\$ 6,766,515</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 6,592,611</u>	<u>\$ (238,182)</u>	<u>\$ - 0 -</u>	<u>\$ 6,354,429</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 6,634,104</u>	<u>\$ (238,182)</u>	<u>\$ - 0 -</u>	<u>\$ 6,395,922</u>

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 7. MAINTENANCE TAX**

On May 12, 1994, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$1.50 per \$100 of assessed valuation of taxable property within the District. During the fiscal year ended September 30, 2022, the District levied an ad valorem maintenance tax rate of \$0.2838 per \$100 of assessed valuation, which resulted in a tax levy of \$1,249,419 on the adjusted taxable valuation of \$440,985,385 for the 2021 tax year. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system.

**NOTE 8. AGREEMENT WITH CITY OF CEDAR PARK**

Effective February 18, 1994, Cypress Creek Ranch, Ltd. (the "Developer") and the City of Cedar Park entered into an "Agreement between Cypress Creek Ranch, Ltd. and the City of Cedar Park, Texas concerning the development of a certain 1500 acre tract located in Williamson and Travis Counties, Texas (the "Cedar Park Agreement") whereby Cedar Park consented to the creation of the District and set forth various terms regarding development within the District. Under the terms of the Cedar Park Agreement, the City of Cedar Park has agreed to provide water and wastewater services to the District and has further agreed to manage the District's water and wastewater systems and bill the District's customers on a basis similar to that for in-City customers as more specifically described pursuant to a June 27, 1995 "Professional Services Agreement Between Williamson-Travis Counties Water Control and Improvement District No. 1B and the City of Cedar Park, Texas Concerning the Operation, Maintenance and Management of Water, Wastewater Facilities and Services."

The Cedar Park Agreement also provides that the City may annex the District no sooner than (i) July 1, 2000 or (ii) the date upon which 75% of either the water or wastewater systems within the District are in place and have received a final acceptance letter from the City, whichever occurs first. Recently passed State legislation affects the abilities of cities to annex land. Pursuant to the Amendment No. 1 to the Cedar Park Agreement dated June 27, 1995, the District has been assigned certain Cypress Creek Ranch Land's rights and obligation under the Cedar Park Agreement. Amendment No. 2 to the Cedar Park Agreement dated October 20, 1999, provides future developers with the ability to negotiate independently with the City of Cedar Park regarding matters affecting their properties.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 9. RISK MANAGEMENT**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained coverage from commercial insurance companies and the Texas Municipal League Intergovernmental Risk Pool (TML Pool) to effectively manage its risk. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

The TML Pool was established by various political subdivisions in Texas to provide self-insurance for its members and to obtain lower costs for insurance. TML Pool members pay annual contributions to obtain the insurance. Annual contribution rates are determined by the TML Pool Board. Rates are estimated to include all claims expected to occur during the policy including claims incurred but not reported. The TML Pool has established Claims Reserves for each of the types of insurance offered. Although the TML Pool is a self-insured risk pool, members are not contingently liable for claims filed above the amount of the fixed annual contributions. If losses incurred are significantly higher than actuarially estimated, the TML Pool adjusts the contribution rate for subsequent years. Members may receive returns of contributions if actual results are more favorable than estimated.

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**RANCH AT CYPRESS CREEK  
MUNICIPAL UTILITY DISTRICT NO. 1**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2022**



**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 1,240,950	\$ 1,240,950	\$ 1,245,522	\$ 4,572
Investment and Miscellaneous Revenues	<u>2,000</u>	<u>2,000</u>	<u>62,207</u>	<u>60,207</u>
<b>TOTAL REVENUES</b>	<u>\$ 1,242,950</u>	<u>\$ 1,242,950</u>	<u>\$ 1,307,729</u>	<u>\$ 64,779</u>
<b>EXPENDITURES</b>				
Service Operations:				
Professional Fees	\$ 89,700	\$ 109,700	\$ 117,552	\$ (7,852)
Contracted Services	88,500	88,500	72,657	15,843
Utilities	21,000	21,000	20,518	482
Repairs and Maintenance	322,000	406,000	114,195	291,805
Other	72,190	72,190	39,173	33,017
Capital Outlay	<u>219,000</u>	<u>115,000</u>	<u>7,200</u>	<u>107,800</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 812,390</u>	<u>\$ 812,390</u>	<u>\$ 371,295</u>	<u>\$ 441,095</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ 430,560	\$ 430,560	\$ 936,434	\$ 505,874
<b>FUND BALANCE - OCTOBER 1, 2021</b>	<u>2,248,755</u>	<u>2,248,755</u>	<u>2,248,755</u>	<u>                    </u>
<b>FUND BALANCE - SEPTEMBER 30, 2022</b>	<u>\$ 2,679,315</u>	<u>\$ 2,679,315</u>	<u>\$ 3,185,189</u>	<u>\$ 505,874</u>

See accompanying independent auditor's report.

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**RANCH AT CYPRESS CREEK  
MUNICIPAL UTILITY DISTRICT NO. 1**

**SUPPLEMENTARY INFORMATION – REQUIRED BY THE  
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

**SEPTEMBER 30, 2022**



**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1  
SERVICES AND RATES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**1. SERVICES PROVIDED BY THE DISTRICT DURING THE FISCAL YEAR:**

<u>      </u>	Retail Water	<u>      </u>	Wholesale Water	<u>  X  </u>	Drainage
<u>      </u>	Retail Wastewater	<u>      </u>	Wholesale Wastewater	<u>      </u>	Irrigation
<u>      </u>	Parks/Recreation	<u>      </u>	Fire Protection	<u>  X  </u>	Security
<u>  X  </u>	Solid Waste/Garbage	<u>      </u>	Flood Control	<u>      </u>	Roads
	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
<u>  X  </u>	Other (specify): Restrictive Covenant Enforcement				

**2. RETAIL SERVICE PROVIDERS: (Not Applicable)**

**3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Not Applicable)**

**4. STANDBY FEES (authorized only under TWC Section 49.231):**

Does the District have Debt Service standby fees?                      Yes     No  X 

Does the District have Operation and Maintenance standby fees?      Yes     No  X 

See accompanying independent auditor’s report.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1  
SERVICES AND RATES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**5. LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes \_\_\_\_\_ No   X  

Counties in which District is located:

Travis and Williamson Counties, Texas

Is the District located within a city?

Entirely \_\_\_\_\_ Partly \_\_\_\_\_ Not at all   X  

Is the District located within a city's extraterritorial jurisdiction (ETJ)?

Entirely   X   Partly \_\_\_\_\_ Not at all \_\_\_\_\_

ETJ in which District is located:

City of Cedar Park, Texas

Are the Board Members appointed by an office outside the District?

Yes \_\_\_\_\_ No   X  

See accompanying independent auditor's report.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**GENERAL FUND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

PROFESSIONAL FEES:	
Auditing	\$ 12,250
Engineering	4,451
Legal	98,211
Financial Advisor	<u>2,640</u>
TOTAL PROFESSIONAL FEES	<u>\$ 117,552</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 20,371
Deed Restriction Enforcement	29,004
Security	<u>23,282</u>
TOTAL CONTRACTED SERVICES	<u>\$ 72,657</u>
UTILITIES	<u>\$ 20,518</u>
REPAIRS AND MAINTENANCE	<u>\$ 114,195</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 13,887
Election Costs	1,916
Insurance	4,402
Legal Notices	685
Office Supplies and Postage	1,396
Other	<u>7,020</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 29,306</u>
CAPITAL OUTLAY	<u>\$ 7,200</u>
OTHER EXPENDITURES:	
Purchased Water	\$ 9,757
Permit Fees	<u>110</u>
TOTAL OTHER EXPENDITURES	<u>\$ 9,867</u>
TOTAL EXPENDITURES	<u><u>\$ 371,295</u></u>

See accompanying independent auditor's report.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**INVESTMENTS**  
**SEPTEMBER 30, 2022**

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>GENERAL FUND</u>					
TexPool	XXXX0001	Varies	Daily	\$ 3,022,548	\$
Certificate of Deposit	XXXX4273	0.40%	04/22/23	75,000	150
Certificate of Deposit	XXXX9592	0.80%	12/20/22	75,000	150
TOTAL GENERAL FUND				<u>\$ 3,172,548</u>	<u>\$ 300</u>
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0002	Varies	Daily	\$ 1,581	\$
TexPool	XXXX0003	Varies	Daily	6,158	
TOTAL DEBT SERVICE FUND				<u>\$ 7,739</u>	<u>\$ - 0 -</u>
TOTAL - ALL FUNDS				<u>\$ 3,180,287</u>	<u>\$ 300</u>

See accompanying independent auditor's report.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Maintenance Taxes	Debt Service Taxes
TAXES RECEIVABLE -		
OCTOBER 1, 2021	\$ 4,954	\$ 2,831
Adjustments to Beginning		
Balance	<u>(1) \$ 4,953</u>	<u>(6) \$ 2,825</u>
Original 2021 Tax Levy	\$ 1,253,156	\$ 298,055
Adjustment to 2021 Tax Levy	<u>(3,737)</u>	<u>(888)</u>
TOTAL TO BE	<u>1,249,419</u>	<u>297,167</u>
ACCOUNTED FOR	\$ 1,254,372	\$ 299,992
 TAX COLLECTIONS:		
Prior Years	\$ 201	\$ 76
Current Year	<u>1,245,321</u>	<u>296,192</u>
 TAXES RECEIVABLE -		
SEPTEMBER 30, 2022	<u>\$ 8,850</u>	<u>\$ 3,724</u>
 TAXES RECEIVABLE BY		
YEAR:		
2021	\$ 4,098	\$ 975
2020	2,394	907
2019	762	301
2018	640	404
2017	553	422
2016 and prior	<u>403</u>	<u>715</u>
TOTAL	<u>\$ 8,850</u>	<u>\$ 3,724</u>

See accompanying independent auditor's report.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1  
TAXES LEVIED AND RECEIVABLE  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	2021	2020	2019	2018
PROPERTY VALUATIONS: TOTAL PROPERTY				
VALUATIONS	<u>\$ 440,985,385</u>	<u>\$ 400,441,002</u>	<u>\$ 385,024,126</u>	<u>\$ 371,058,519</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.0675	\$ 0.0965	\$ 0.1000	\$ 0.1325
Maintenance	<u>0.2838</u>	<u>0.2548</u>	<u>0.2535</u>	<u>0.2100</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.3513</u>	<u>\$ 0.3513</u>	<u>\$ 0.3535</u>	<u>\$ 0.3425</u>
ADJUSTED TAX LEVY*	<u>\$ 1,546,586</u>	<u>\$ 1,406,762</u>	<u>\$ 1,361,060</u>	<u>\$ 1,270,875</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>99.67 %</u>	<u>99.77 %</u>	<u>99.92 %</u>	<u>99.92 %</u>

\* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

See accompanying independent auditor's report.



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**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1  
CHANGES IN LONG-TERM BOND DEBT  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Description	Original Bonds Issued	Bonds Outstanding October 1, 2021	
Ranch at Cypress Creek Municipal Utility District No. 1 Unlimited Tax Refunding Bonds - Series 2010	<u>\$ 4,690,000</u>	<u>\$ 380,000</u>	
Bond Authority:	<u>Tax Bonds</u>	<u>Park Bonds</u>	<u>Refunding Bonds</u>
Amount Authorized by Voters	\$ 18,500,000	\$ 1,050,000	\$ 27,750,000
Amount Issued	<u>12,540,000</u>	<u>                    </u>	<u>540,000</u>
Remaining to be Issued	<u>\$ 5,960,000</u>	<u>\$ 1,050,000</u>	<u>\$ 27,210,000</u>
Debt Service Fund cash balance as of September 30, 2022:		<u>\$ 7,739</u>	

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				
	<u>Retirements</u>		<u>Bonds Outstanding</u>	
<u>Bonds Sold</u>	<u>Principal</u>	<u>Interest</u>	<u>September 30, 2022</u>	<u>Paying Agent</u>
<u>\$ - 0 -</u>	<u>\$ 380,000</u>	<u>\$ 12,825</u>	<u>\$ - 0 -</u>	BOK Financial, NA Dallas, TX

See accompanying independent auditor's report.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1  
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES  
GENERAL FUND - FIVE YEARS**

	Amounts		
	2022	2021	2020
<b>REVENUES</b>			
Property Taxes	\$ 1,245,522	\$ 1,017,596	\$ 974,938
Investment and Miscellaneous Revenues	62,207	2,412	15,971
<b>TOTAL REVENUES</b>	<b>\$ 1,307,729</b>	<b>\$ 1,020,008</b>	<b>\$ 990,909</b>
<b>EXPENDITURES</b>			
Professional Fees	\$ 117,552	\$ 218,944	\$ 191,177
Contracted Services	72,657	91,407	80,062
Utilities	20,518	20,154	20,097
Repairs and Maintenance	114,195	109,869	20,097
Other	39,173	50,506	47,385
Capital Outlay	7,200		
<b>TOTAL EXPENDITURES</b>	<b>\$ 371,295</b>	<b>\$ 490,880</b>	<b>\$ 358,818</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 936,434</b>	<b>\$ 529,128</b>	<b>\$ 632,091</b>
<b>BEGINNING FUND BALANCE</b>	<b>2,248,755</b>	<b>1,719,627</b>	<b>1,087,536</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 3,185,189</b>	<b>\$ 2,248,755</b>	<b>\$ 1,719,627</b>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2019	2018	2022	2021	2020	2019	2018
\$ 777,782	\$ 690,973	95.2 %	99.8 %	98.4 %	96.8 %	98.2 %
<u>25,850</u>	<u>12,515</u>	<u>4.8</u>	<u>0.2</u>	<u>1.6</u>	<u>3.2</u>	<u>1.8</u>
\$ 803,632	\$ 703,488	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
\$ 312,271	\$ 80,086	9.0 %	21.5 %	19.3 %	38.9 %	11.4 %
78,453	109,692	5.6	9.0	8.1	9.8	15.6
20,310	21,060	1.6	2.0	2.0	2.5	3.0
49,252	88,709	8.7	10.8	2.0	6.1	12.6
39,166	35,723	3.0	4.9	4.8	4.9	5.1
<u>25,000</u>		<u>0.6</u>			<u>3.1</u>	
\$ 524,452	\$ 335,270	28.5 %	48.2 %	36.2 %	65.3 %	47.7 %
\$ 279,180	\$ 368,218	71.5 %	51.8 %	63.8 %	34.7 %	52.3 %
<u>808,356</u>	<u>440,138</u>					
<u>\$ 1,087,536</u>	<u>\$ 808,356</u>					

See accompanying independent auditor's report.

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1  
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES  
DEBT SERVICE FUND - FIVE YEARS**

	Amounts		
	2022	2021	2020
<b>REVENUES</b>			
Property Taxes	\$ 296,268	\$ 385,373	\$ 386,030
Investment and Miscellaneous Revenues	<u>2,597</u>	<u>1,438</u>	<u>3,847</u>
<b>TOTAL REVENUES</b>	<u>\$ 298,865</u>	<u>\$ 386,811</u>	<u>\$ 389,877</u>
<b>EXPENDITURES</b>			
Tax Collection Expenditures	\$ 5,761	\$ 7,293	\$
Debt Service Principal	380,000	360,000	
Debt Service Interest and Fees	<u>13,025</u>	<u>24,925</u>	<u>393,820</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 398,786</u>	<u>\$ 392,218</u>	<u>\$ 393,820</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ (99,921)	\$ (5,407)	\$ (3,943)
<b>BEGINNING FUND BALANCE</b>	<u>104,027</u>	<u>109,434</u>	<u>113,377</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 4,106</u>	<u>\$ 104,027</u>	<u>\$ 109,434</u>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

See accompanying independent auditor's report

		Percentage of Total Revenues				
2019	2018	2022	2021	2020	2019	2018
\$ 490,299	\$ 531,567	99.1 %	99.6 %	99.0 %	97.3 %	98.8 %
<u>13,591</u>	<u>6,268</u>	<u>0.9</u>	<u>0.4</u>	<u>1.0</u>	<u>2.7</u>	<u>1.2</u>
\$ 503,890	\$ 537,835	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
\$	\$	1.9 %	1.9 %	%	%	%
		127.1	93.1			
<u>551,907</u>	<u>533,588</u>	<u>4.4</u>	<u>6.4</u>	<u>101.0</u>	<u>109.5</u>	<u>99.2</u>
\$ 551,907	\$ 533,588	133.4 %	101.4 %	101.0 %	109.5 %	99.2 %
\$ (48,017)	\$ 4,247	<u>(33.4) %</u>	<u>(1.4) %</u>	<u>(1.0) %</u>	<u>(9.5) %</u>	<u>0.8 %</u>
<u>161,394</u>	<u>157,147</u>					
\$ 113,377	\$ 161,394					
<u>N/A</u>	<u>N/A</u>					
<u>N/A</u>	<u>N/A</u>					

See accompanying independent auditor's report

**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1  
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
SEPTEMBER 30, 2022**

District Mailing Address - Ranch at Cypress Creek Municipal Utility District No. 1  
c/o McGinnis Lochridge  
1111 West 6<sup>th</sup> Street, Building B, Suite 400  
Austin, TX 78703

District Telephone Number - (512) 322-5800

<b>Board Members:</b>	Term of Office (Elected or Appointed)	Fees of Office for the year ended <u>September 30, 2022</u>	Expense Reimbursements for the year ended <u>September 30, 2022</u>	<u>Title</u>
Patrice Coles	05/22 05/26 (Elected)	\$ 1,500	\$ 335	President
Becky Tran	12/21 05/24 (Appointed)	\$ 1,350	\$ -0-	Vice President
Matthew Whittington	05/20 05/24 (Elected)	\$ 6,000	\$ 255	Secretary
James Lamm	12/21 05/24 (Appointed)	\$ 2,400	\$ 94	Treasurer
James Perrone	05/22 05/26 (Elected)	\$ 450	\$ -0-	Assistant Secretary/ Treasurer

Note: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's Developer or with any of the District's consultants.

Submission Date of most recent District Registration Form: May 24, 2022

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report



**RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1  
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
SEPTEMBER 30, 2022**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees for the year ended September 30, 2022</u>	<u>Title</u>
McGinnis Lochridge	05/16/18	\$ 100,127	General Counsel
McCall Gibson Swedlund Barfoot PLLC	08/19/21	\$ 12,250	Auditor
L&S District Services, LLC	05/31/18	\$ 20,371	Bookkeeper
Rivera Engineering	08/20/98	\$ 4,451	Engineer
Public Finance Group	08/11/14	\$ 2,640	Financial Advisor
Management 360 Services	08/08/16	\$ 29,004	Deed Restriction Enforcement
Travis County Tax Collector		\$ 645	Tax Collector
Williamson County Tax Collector		\$ 255	Tax Collector

See accompanying independent auditor's report

